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Thirteenth Annual Report

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

1932

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THIRTEENTH ANNUAL REPORT

OF THE

Maryland Racing Commission

TO

THE GOVERNOR OF MARYLAND

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MARYLAND RACING COMMISSION

BOARD

JERVIS SPENCER, JR., *Chairman*
EDWIN WARFIELD, JR.
JOHN F. MUDD

STAFF

JAMES F. HAYWARD	*Secretary*
MRS. WM. CHESNUT	*Stenographer*
CARLOS M. DE GARMENDIA	*Judge-at-Large*
HOWARD L. CALLIS	*Auditor*
DOUGLAS C. TURNBULL	*General Inspector*
JOHN P. NIXON	*Inspector*
CHARLES S. EARLY	*Inspector*
WILLIAM A. MENTZEL	*Inspector*

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1932

THIRTEENTH ANNUAL REPORT

OF THE

MARYLAND RACING COMMISSION

To His Excellency, Albert C. Ritchie,
Governor of Maryland.

The Maryland Racing Commission respectfully submits herewith its annual report for the year 1932.

The character of racing we have had in the State this year was everything that could have been desired. The best horses in training have raced here and the races have been well and closely contested.

The four one-mile tracks in the State have suffered a very bad year financially. Both the attendance and volume of betting have decreased by a very large percentage from previous years, and it was found necessary to reduce the amount of the purses and operating expenses. Even then dividends have not been earned. In fact, one of these organizations not only did not earn its dividend, but actually sustained a loss of $30,606.76 for the year, and, starting December 1, 1932, has discontinued paying executive salaries. It is going to be necessary for these tracks to further substantially reduce expenses.

In 1931 the one-mile tracks gave five days racing, the net proceeds to be given to charity. This year they have given eight days and we have requested them to give eight days again next year, which they have most willingly consented to do.

The policy followed by the four one-mile tracks in increasing the number of races limited to Maryland bred horses, and in rewarding the Maryland breeder of a winning horse, has, in our judgment, done much to foster and stimulate the breeding in our State of an increasing number of horses racing on our tracks. We feel that this policy has resulted and will continue to result in the location in the State of thoroughbred breeding establishments, which otherwise might not have been attracted to Maryland.

There is attached hereto an account of the receipts and disbursements of the Commisson and an account of the receipts and disbursements of the four licensees of the Commission operating one-mile tracks.

Respectfully submitted,

Jervis Spencer, Jr., *Chairman;*
Edwin Warfield, Jr.,
John F. Mudd.

STATEMENT OF MARYLAND RACING COMMISSION

(For Year 1932)

RECEIPTS

County Fairs, 41 days racing at $50.00 per day		$2,050.00
Harford Agricultural and Breeders' Asso.:		
23 days racing at $6,000 per day	$138,000.00	
2 days racing at $6,000 per day, for charity	12,000.00	
15 per cent of net revenue	23,989.30	
		173,989.30
Maryland State Fair, Inc.:		
23 days racing at $6,000 per day	$138,000.00	
1 days racing at $6,000 per day, for charity	6,000.00	
15 per cent of net revenue	15,909.39	
		159,909.39
Maryland Jockey Club of Baltimore City:		
23 days racing at $6,000 per day	$138,000.00	
23 days racing at $3,000 per day, Account of Baltimore County	69,000.00	
2 days racing at $6,000 per day, for charity	12,000.00	
2 days racing at $3,000 per day, Account of Baltimore County, for charity	6,000.00	
15 per cent of net revenue	none	
		225,000.00
Southern Maryland Agricultural Asso.:		
23 days racing at $6,000 per day	$138,000.00	
3 days racing at $6,000 per day, for charity	18,000.00	
15 per cent of net revenue	11,412.68	
		167,412.68
License fees, jockeys and trainers		1,748.00
Registration fees:		
Agents	$42.00	
Assumed names	100.00	
Colors	296.00	
		438.00
Interest on money on deposit		2,809.72
Reserved from 1931 revenue for 1932 expenses		10,000.00
Total receipts		$743,357.09

STATEMENT OF MARYLAND RACING COMMISSION

(For Year 1932)

DISBURSEMENTS

Commission's salary		$10,000.00
Office salaries		5,800.00
Salaries and expenses of commission's employees for county fairs		886.91
Premiums on chairman's, commissioner's and secretary's bonds		1,550.00
Automobile and train hire		1,496.31
Travel and miscellaneous expense for commission and employees		554.47
Office expense (miscellaneous)		359.25
Office supplies, stationery and printing		204.96
Office furniture and furnishings		22.85
Telephone and telegraph		103.14
Rent of offices		1,845.84
Refund to county fair (racing stopped by rain), one day		50.00
Paid to county treasurers		2,000.00
Paid to Treasurer of Baltimore County:		
June 29, 1932	$39,000.00	
December 29, 1932	30,000.00	
2 days racing license fee at $3,000 per day, for charity	6,000.00	
		75,000.00
Paid to Treasurer of State:		
June 29, 1932	$210,634.87	
December 29, 1932	374,848.49	
8 days racing license fee at $6,000 per day, for charity, during the year 1932—2 days each at Havre de Grace, and Pimlico,—1 day at Laurel, and 3 days at Bowie	48,000.00	
		633,483.36
Reserved from 1932 income for 1933 expenses		10,000.00
Total disbursements		$743,357.09

HARFORD AGRICULTURAL AND BREEDERS' ASSOCIATION, INCORPORATED

Statement of Income and Surplus for the Year Ended October 31, 1932.

REVENUE

Admissions:			
General		$245,980.50	
Club-house		18,886.00	
Boxes		2,098.00	
Membership dues		920.00	
Pari--mutuels:			
Commissions		476,317.30	
Breakage		84,500.10	
Programs—net		12,070.46	
Concessions		11,900.00	
Interest:			
Liberty loan bonds		10,625.00	
Bank balances		1,526.09	
Leads to post		10.00	
Total			$864,833.45

EXPENSES

State license, 23 days at $6,000 each		$138,000.00	
Stakes and purses		283,700.00	
Awards to breeders		4,000.00	
Pari-mutuel expenses:			
Salaries and wages		94,405.68	
Stationery and printing		17,959.10	
Transportation of money		1,865.00	
Cash shortages—net		1,081.25	
Miscellaneous		1,297.00	
Salaries and wages of racing officials and employees		31,301.66	
Wages of temporary track employees		13,533.34	
Services of detective agency		15,107.18	
Ambulance and hospital service		500.00	
Royalty for use of starting stalls		1,610.00	
Music and announcing		1,370.94	
Advertising and publicity service		15,824.13	
Officers' salaries, directors' compensation, and legal fees:			
M. H. Fahey:			
Salary as president	$3,000.00		
Compensation as director	1,000.00		
Forward	$4,000.00	$621,555.28	$864,833.45

Brought Forward	$4,000.00	$621,555.28	$864,833.45
Edward Burke:			
Salary as treasurer	17,500.00		
Compensation as director	1,000.00		
Richard Reid Rogers:			
Compensation as director	1,000.00		
Legal fee	2,000.00		
Patrick Carroll, director	1,000.00		
E. F. Simms, director	1,000.00		
		27,500.00	
Salaries of regular track employees		13,005.00	
Salaries of clerks, New York City		750.00	
Repairs and maintenance		10,465.87	
Tools and supplies		2,363.47	
Team hire		1,583.50	
Heat, light, and water		2,787.17	
Taxes, other than federal tax on income		9,323.25	
Insurance premiums—net		12,884.53	
Rent*		250.00	
Stationery, printing, and postage		4,403.20	
Telephone and telegraph		982.17	
Professional services other than legal		1,514.97	
Donations:			
Havre de Grace Hospital	$1,000.00		
Mrs. B. Levy, chairman, Havre de Grace Community Fund	200.00		
		1,200.00	
Provision for doubtful accounts receivable		55.00	
Assessment for Relief Fund—Maryland Racing Commission		1,000.00	
Miscellaneous		4,072.65	
Total			715,696.06
Net Income for the Year			**$149,137.39**

*Includes portion paid in advance.

Net Income for the Year—brought forward	$149,137.39

SURPLUS CREDITS

Pari-mutuel tickets outstanding, applicable to meetings of the fiscal year 1929, credited to surplus	9,591.30
Gross Surplus for the Year	**$158,728.69**

SURPLUS CHARGES (exclusive of dividends)

Federal taxes on income for the preceding calendar year	$22,626.30	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended October 31	41,296.43	
Provision for depreciation for the preceding calendar year, as determined by the association	29,169.60	
Additional federal tax on income for the two years ended December 31, 1930, and interest thereon	139.36	
Total		93,231.69
Surplus for the Year, Before Dividends		**$65,497.00**
Dividends Paid		**170,000.00**
Deficit for the Year		**$104,503.00**

NOTES—No provision is included in the above statement for depreciation of property and federal tax on income for the ten months ended October 31, 1932, or for license fee or tax of 15% of net taxable revenue for the year ended October 31, 1932, amounting to $23,989.30.

The above statement does not include the net income of the "Charity Days," September 19 and 20, 1932, in the aggregate amount of $13,716.76.

Statement Showing Computation of Net Revenue for the Year Ended October 31, 1932, Taxable by the Maryland Racing Commission

Deficit for the Year		**$104,503.00**
Amounts which were deducted in determining deficit for the year, but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1931	$22,626.30	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended October 31, 1931	41,296.43	
Provision for depreciation for the year ended December 31, 1931, as determined by the association	29,169.60	
Additional federal tax on income for the two years ended December 31, 1930, and interest thereon	139.36	
Dividends paid	170,000.00	
Donations	1,200.00	
Total		264,431.69
Net Revenue for the Year Ended October 31, 1932, Taxable by the Commission		**$159,928.69**
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended October 31, 1932		**$23,989.30**

NOTE—The amount of $1,690.24 expended for new construction, improvements, and equipment during the year ended October 31, 1932, and charged to the Building Fund, has not been deducted as an item of expense in the determination of net revenue upon which the State license fee or tax of 15% is computed.

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of the Harford Agricultural and Breeders' Association, Incorporated, for the year ended October 31, 1932, and in our opinion the above statement sets forth the net revenue for the year ended that date taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, November 30, 1932.

MARYLAND STATE FAIR, INCORPORATED

Statement of Income and Surplus for the Year Ended November 1, 1932

REVENUE

Admissions:			
General		$159,816.00	
Club-house		10,305.00	
Paddock		3,454.00	
Boxes		3,410.00	
Membership dues		4,425.00	
Pari-mutuels:			
Commissions		400,803.70	
Breakage		71,487.60	
Programs—net		11,036.35	
Concessions		14,250.00	
Interest:			
Bank balances		3,169.82	
Rent		180.00	
Miscellaneous		865.00	
Total			$683,202.47

EXPENSES

State license, 23 days at $6,000 each		$138,000.00	
Stakes and purses		225,500.00	
Awards to breeders		5,000.00	
Pari-mutuel expenses:			
Salaries and wages		70,538.00	
Stationery and printing		7,583.61	
Insurance on money		1,443.72	
Cash shortage—net		261.81	
Miscellaneous		100.00	
Salaries and wages of racing officials and employees		35,056.00	
Services of detective agency		2,000.00	
Ambulance service		207.00	
Royalty for use of starting stalls		1,610.00	
Wages of track employees		12,838.15	
Music		2,185.00	
Advertising and publicity service		5,746.92	
Officers' salaries and legal fees:			
Salaries:			
A. J. Cummings, president	$9,333.32		
F. J. Brady, treasurer	9,333.32		
Legal fees, incurred in connection with suits pending against the company:			
A. Theordore Brady	650.00		
Dickerson and Nice	300.00		
Total		19,616.64	
Office salaries		2,041.00	
Repairs and maintenance of property		8,248.11	
Automobile and tractor expenses		771.53	
Forward		$538,747.49	$683,202.47

Brought forward		$538,747.49	$683,202.47
Water, heat, and light		1,299.08	
Taxes, other than federal tax on income		22,633.18	
Insurance premium		9,733.15	
Office rent, New York		3,000.00	
Stationery and printing		2,618.07	
Telephone and telegraph		465.49	
Professional accounting services		898.64	
Donations:			
Reverend Joseph A. Meyer	$2,000.00		
The Howard County Public Health Association, incorporated	250.00		
Total		2,250.00	
Assessment for Relief Fund, Maryland Racing Commission		1,000.00	
Interest on loans		1,018.26	
Provision for doubtful accounts receivable from horsemen		263.50	
Expenses, other than legal fees, incurred in connection with damage suits		265.75	
Miscellaneous		2,362.99	
Total			586,555.60
Net Income for the Year			**$96,646.87**

SURPUS CREDITS

Pari-mutuel tickets outstanding applicable to the meeting of the year 1929, credited to surplus	6,397.50
Gross Surplus for the Year	**$103,044.37**

SURPLUS CHARGES (exclusive of dividends)

Federal tax on income for the preceding calendar year	$12,154.11	
License fee or tax of 15% of net taxable revenue for the preceding year ended November 1	26,662.33	
Provision for depreciation for the preceding calendar year as determined by the company	47,532.27	
Loss from destruction of property by fire	1,573.26	
Breeders' award applicable to the meeting of 1930	250.00	
Total		88,171.97
Surplus for the Year, Before Dividends		**$14,872.40**
Dividend Paid December 8, 1931		**100,000.00**
Deficit for the Year		**$85,127.60**

NOTES—No provision is included in the above statement for depreciation of property and federal tax on income for the period from January 1 to November 1, 1932, or for license fee or tax of 15% of net taxable revenue for the year ended November 1, 1932, amounting to $15,909.39.

The above statement does not include the net income of the "Charity Day," October 3, 1932, amounting to $6,746.15.

Statement Showing Computation of Net Revenue for the Year Ended November 1, 1932, Taxable by the Maryland Racing Commission

Deficit for the Year		**$85,127.60**
Amounts which were deducted in determining deficit for the year, but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the year ended December 31, 1931	$12,154.11	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended November 1, 1931	26,662.33	
Provision for depreciation for the year ended December 31, 1931, as determined by the company	47,532.27	
Dividend paid December 8, 1931	100,000.00	
Donations	2,250.00	
Interest on loans	1,018.26	
Loss from destruction of property by fire	1,573.26	
Total		191,190.23
Net Revenue for the Year Ended November 1, 1932, Taxable by the Maryland Racing Commission		**$106,062.63**
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended November 1, 1932		**$15,909.39**

NOTE—The amount of $300.00 expended for new equipment during the year ended November 1, 1932, and charged to the Building Fund, has not been deducted as an item of expense in the determination of net revenue upon which the State license fee or tax of 15% is computed.

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of the Maryland State Fair, Incorporated, for the year ended November 1, 1932, and in our opinion the above statement sets forth the net revenue for the year ended that date taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 15, 1932.

THE MARYLAND JOCKEY CLUB OF BALTIMORE CITY

Statement of Income and Surplus for the Year Ended November 30, 1932

REVENUE

Admissions:		
General	$244,566.50	
Club house	14,618.50	
Paddock	4,175.00	
Boxes	10,308.49	
Membership dues and initiation fees	23,895.00	
Pari-mutuels:		
Commissions	468,897.75	
Breakage	88,695.95	
Programs—net	13,350.70	
Concessions	1,840.00	
Profit from operation of catering service—net	5,568.43	
Interest on bank balances	784.17	
Rent:		
Real estate	5,470.62	
Equipment	1,200.00	
Miscellaneous	1,131.52	
Total		$884,492.63

EXPENSES

State license, 23 days at $6,000 each	$138,000.00	
Baltimore County license, 23 days at $3,000 each	69,000.00	
Stakes and purses	328,900.00	
Yearling show awards	1,945.00	
Awards to breeders	4,750.00	
Pari-mutuel expenses:		
Salaries and wages	90,434.06	
Stationery and printing	19,514.39	
Transportation of money	1,250.00	
Cash shortage—net	88.88	
Odds and results board:		
Operating expense	6,900.00	
Salaries and wages of racing officials and employees	50,335.66	
Services of detective agency	2,561.45	
Ambulance service	360.00	
Music and announcing	3,768.04	
Advertising and publicity service	6,103.36	
Forward	$723,910.84	$884,492.63

Brought forward		$723,910.84	$884,492.63
Officers' salaries, directors' compensation, and legal fees, etc.:			
C. E. McLane:			
Salary as president	$6,750.00		
Compensation as director	50.00		
R. J. Walden:			
Salary as vice-president	2,250.00		
Compensation as director	50.00		
F. G. Riggs:			
Salary as treasurer	6,750.00		
Compensation as director	50.00		
M. L. Daiger:			
Salary as secretary	4,500.06		
Compensation as director	50.00		
F. J. Bryan (exclusive of $4,500.06 salary as racing secretary):			
Compensation as director	50.00		
Expenses	34.80		
D. S. Gittings (exclusive of $350.00 paid for publicity work):			
Compensation as director	50.00		
Cary T. Grayson:			
Compensation as director	50.00		
Expenses	10.00		
S. S. Janney:			
Legal fee	2,700.00		
Compensation as director	50.00		
Lawrason Riggs:			
Compensation as director	50.00		
A. H. Morris:			
Compensation as director	50.00		
Expenses	34.80		
Ral Parr:			
Compensation as director	50.00		
Isaac Lobe Straus:			
Legal fee	1,000.00		
Total		24,579.66	
Office salaries		6,008.06	
Rent of track property, including amortization of cost of renewing lease		28,100.00	
Provision for amortization of improvements to leased property		39,904.39	
Wages of regular track employees		18,326.00	
Forward		$840,828.95	$884,492.63

Brought forward	$840,828.95	$884,492.63
Repairs and maintenance of property	16,968.58	
Tools and supplies	1,659.18	
Auto hire	1,136.68	
Water, heat, and light	3,847.04	
Taxes, other than federal tax on income	22,816.22	
Insurance premiums	21,480.01	
Office rent	2,268.00	
Stationery and printing	6,117.98	
Telephone and telegraph	527.51	
Professional accounting and tax services	1,330.44	
Interest on loans	883.66	
Assessment for Relief Fund—Maryland Racing Commission	1,000.00	
Donation to the Community Fund of Baltimore	5,000.00	
Miscellaneous	4,559.89	
Total		930,424.14
Net Loss for the Year		**$45,931.51**

SURPLUS CHARGES (exclusive of dividends)

Federal tax on income for the preceding year ended November 30	$11,475.27	
Additional federal tax on income for the year ended November 30, 1930, (including interest)	17.74	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended November 30	28,146.65	
Total		$39,639.66
Gross Deficit for the Year, Before Dividends		**$85,571.17**
Surplus Credit—Pari-Mutuel Tickets Outstanding Applicable to Meetings of the Year 1929, Credited to Surplus		**9,051.15**
Deficit for the Year, Before Dividends		**76,520.02**
Dividend (current year paid December 7, 1931, from accumulated surplus)		**77,180.00**
Deficit for the Year		**$153,700.02**

NOTE—The above statement does not include:

Provision for depreciation of buildings and miscellaneous property.

Net income of "Charity Days," May 16 and October 31, 1932, amounting to $24,213.18.

Portion of profit or loss applicable to the investment in capital stock of Maryland State Fair and Agricultural Society of Baltimore County, Md., an affiliated company.

Statement of Deficit for the Year Ended November 30, 1932, Prepared on the Basis Used in Determination of Net Revenue Taxable by the Maryland Racing Commission

Deficit for the Year		**$153,700.02**
Add cost of new construction and equipment during the year (this amount is allowed by the Commission as a deduction in computing net taxable revenue, inasmuch as there is no surplus in current building fund)		39,514.45
Total		$193,214.47
Amounts which were deducted in determining deficit for the year, but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the year ended November 30, 1931	$11,475.27	
Additional federal tax on income for the year ended November 30, 1930	17.74	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended November 30, 1931	28,146.65	
Provision for amortization of improvements to leased property for the year ended November 30, 1932	39,904.39	
Donation to the Community Fund of Baltimore	5,000.00	
Dividend paid December 7, 1931	77,180.00	
Interest on loans	883.66	
Total		162,607.71
Net Deficit for the Year Ended November 30, 1932		**$30,606.76**
License Fee or Tax for the Year Ended November 30, 1932		**none**

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of the Maryland Jockey Club of Baltimore City for the year ended November 30, 1932, and in our opinion the above statement sets forth the net deficit for the year ended that date, as determined on the basis used in the computation of net revenue taxable by the Maryland Racing Commission.

(Signed) HASKINS & SELLS.

Baltimore, December 20, 1932.

SOUTHERN MARYLAND AGRICULTURAL ASSOCIATION

Statement of Income and Surplus for the Year Ended December 6, 1932

REVENUE

Admissions:			
General		$159,715.50	
Club-house—net		6,818.06	
Paddock		2,750.50	
Boxes		5,003.50	
Pari-mutuels:			
Commissions		419,327.85	
Breakage		68,193.10	
Programs—net		11,107.42	
Concessions		10,955.00	
Interest on bank balances		2,072.52	
Miscellaneous		400.00	
Total			$686,343.45

EXPENSES

State license, 23 days at $6,000 each		$138,000.00	
Stakes and purses		227,000.00	
Awards to breeders		4,500.00	
Pari-mutuel expenses:			
Salaries and wages		85,722.00	
Stationery and printing		13,081.20	
Insurance on money		514.35	
Cash shortage—net		183.26	
Miscellaneous		1,162.46	
Salaries and wages of racing officials and employees		51,112.11	
Detective services		1,996.60	
Ambulance service		230.00	
Royalty for use of starting stalls		1,610.00	
Music and announcing		1,196.58	
Advertising and publicity service		8,180.14	
Officers' salaries, directors' compensation, and legal fees:			
M. H. Magruder, president:			
Salary	$5,000.00		
Compensation as counsel	4,000.00		
Compensation as director	500.00		
Wm. G. Brooke, secretary:			
Salary	2,500.00		
Compensation as director	500.00		
Thomas K. Lynch, treasurer and assistant manager, salary	7,500.00		
Forward	$20,000.00	$534,488.70	$686,343.45

Brought forward	$20,000.00	$534,488.70	$686,343.45
Joseph B. Boyle, general manager, salary	7,500.00		
Frank M. Hall:			
Compensation as director	500.00		
Other compensation	50.00		
C. Carter Hall:			
Compensation as director	500.00		
Other compensation	1,150.00		
Compensation as director:			
James A. Bean (replaced Chas. S. Early, May 4, 1932)	250.00		
James B. Berry	500.00		
W. Booth Bowie	500.00		
S. Gardiner Coale	500.00		
George S. Dove	500.00		
Charles S. Early, resigned May 4, 1932 (exclusive of $575.00 salary as inspector)	250.00		
Guy W. Latimer	500.00		
Thomas N. Magruder	500.00		
Olver S. Metzerott	500.00		
Ellis O. Middleton	500.00		
R. Lee Mulliken	500.00		
Dr. Harry Nalley	500.00		
Claude H. Owen	500.00		
George N. Palmer	500.00		
John W. Ryon	500.00		
William S. Ryon	500.00		
J. Chew Sheriff	500.00		
Frank Small, Jr.	500.00		
Hershey, Donaldson, Williamson & Stanley, legal fee	300.00		
Total		38,500.00	
Office salaries		1,111.00	
Wages paid to regular track employees		12,347.00	
Repairs and maintenance		6,574.89	
Light, heat, etc.		2,101.39	
Taxes, other than federal tax on income		11,257.91	
Insurance premiums		7,889.00	
Rent of offices		1,572.00	
Stationery and printing		2,672.25	
Telephone and telegraph		636.21	
Professional accounting services		1,999.64	
Interest on loans		333.34	
Donations		97.00	
Assessment for Relief Fund—Maryland Racing Commission		1,000.00	
Miscellaneous		4,554.55	
Total			627,134.88
Net Income for the Year			**$59,208.57**

Net Income for the Year—brought forward		$59,208.57
SURPLUS CREDITS		
Pari-mutuel tickets outstanding applicable to meetings of the year 1929, credited to surplus	$5,514.60	
Outstanding checks returned to cash	126.05	
Proceeds of insurance on fully depreciated property destroyed by fire	2,300.00	
Proceeds from sale of capital assets	284.21	
Total		8,224.86
Gross Surplus for the Year		**$67,433.43**
SURPLUS CHARGES (exclusive of dividends)		
Federal tax on income for the preceding calendar year	$14,252.46	
State of Maryland license fee or tax of 15% of net taxable revenue for the preceding year ended December 6	30,034.86	
Provision for depreciation for the preceding calendar year (as determined by the association	46,830.22	
Additional federal tax on income for the calendar year 1930, (including interest)	1,286.97	
Uncollectible accounts written off	195.00	
Additional provision for depreciation applicable to the calendar year 1930	64.90	
Total		92,664.41
Deficit for the Year, Before Dividends		**$25,230.98**
Dividends Paid January 4, 1932, From Accumulated Surplus		**121,080.00**
Deficit for the Year		**$146,310.98**

NOTES—The above statement does not include:

Provision for depreciation of property and federal tax on income for the period from January 1, 1932, to December 6, 1932.

Provision for State license fee or tax of 15% of net revenue for the year ended December 6, 1932, amounting to $11,412.68.

The net income of the "Charity Days," April 14 and November 14 and 15, 1932, aggregating $22,033.75.

Statement Showing Computation of Total Net Revenue for the Year Ended December 6, 1932, Taxable by the Maryland Racing Commission

Defict for the Year		**$146,310.98**
Amounts which were deducted in determining deficit for the year, but which are not allowed by the commission in computing net taxable revenue:		
Federal tax on income for the calendar year 1931	$14,252.46	
State of Maryland license fee or tax of 15% of net taxable revenue for the year ended December 6, 1931	30,034.86	
Provision for depreciation for the year ended December 31, 1931, as determined by the association	46,830.22	
Dividends paid	121,080.00	
Excess of officers' salaries, directors' compensation, and legal fees paid over amount allowed therefore by the commission	11,000.00	
Donations	97.00	
Interest on loans	333.34	
Additional federal tax on income for the calendar year 1930, and interest thereon	1,286.97	
Additional provision for depreciation for the year ended December 31, 1930	64.90	
Total		224,979.75
Gross Revenue		**$78,668.77**
Deduct, Proceeds of Insurance on Fully Depreciated Property, etc., Destroyed by Fire, etc.		**2,584.21**
Remainder, Net Revenue for the Year Ended December 6, 1932, Taxable by the Maryland Racing Commission		**$76,084.56**
License Fee or Tax of 15% of Net Taxable Revenue for the Year Ended December 6, 1932		**$11,412.68**

NOTE—The amount of $4,796.59, expended for new construction, improvements, and equipment during the year ended December 6, 1932, and charged to building fund has not been deducted as an item of expense in the determination of net revenue upon which the State license fee or tax of 15% is computed.

CERTIFICATE

MARYLAND RACING COMMISSION:

We have audited the accounts of the Southern Maryland Agricultural Association for the year ended December 6, 1932, and in our opinion the above statement sets forth the net revenue for the year ended that date taxable by the Maryland Racing Commission, and the tax computed thereon.

(Signed) HASKINS & SELLS.

Baltimore, December 21, 1932.